

## Tranquillon Ridge back up to bat

**By Sam Womack**

**Santa Monica Times**

**Staff Writer**

**Posted: Friday, January 15, 2010**

Another budget, another multibillion-dollar deficit and another bid from the governor to get a local offshore oil-drilling project approved — same as last year.

But this time around, Plains Exploration and Production Co. (PXP) and the Environmental Defense Center (EDC) — the applicant for tapping oil reserves in Tranquillon Ridge and its staunchest supporter, respectively — said they are prepared to allay any doubts that have been raised in the past.

“We haven’t just sat idle for the past year,” said Steven Rusch, PXP spokesman. “We’ve been working hard to make improvements to what we think is already an outstanding project.”

The unlikely partners both expressed support for the governor’s proposal to supplement the Department of Parks and Recreation’s budget with \$140 million in advance royalties and production revenue from the Tranquillon Ridge oil-drilling project, if it is approved by the California State Lands Commission.

“We’ve been advocating for the project to be reconsidered by the state Lands Commission for the last year,” said Linda Krop, chief counsel for the EDC, an environmental law firm that also represents Get Oil Out! and the Citizens Planning Association of Santa Barbara in supporting PXP’s project.

“We’d love to see it happen,” she added.

The EDC and its clients have been fighting offshore oil in California for more than 30 years, but have brokered a controversial deal with PXP that would clean up the waters and remove its oil platforms by Dec. 31, 2022.

PXP proposed slant drilling from its existing Platform Irene in federal waters to Tranquillon Ridge in state waters, within three miles of the coast near Vandenberg Air Force Base.

In negotiations with the EDC, an agreement was announced in October 2008, which stipulated that PXP shut down two offshore oil platforms and two onshore processing facilities in Santa Barbara County in 14 years.

Also, 4,000 acres of property near Lompoc would be preserved, the project's greenhouse gas emissions would be mitigated, and funding to purchase clean buses would be provided to the county.

But the state Lands Commission rejected the project after two of the three members raised the question of enforcing the "ground-breaking" deal.

Then, during the 2009-2010 state budget discussions, Gov. Arnold Schwarzenegger recommended bypassing the commission's decision through legislation, because PXP promised to cut the state a \$100 million check, as an advance payment on royalties.

The EDC was a strong opponent of that approach, as was the majority of the Legislature, which shot down the proposal.

Now, one year later, Rusch said PXP is again sitting down with the Dept. of Finance "to craft the best deal for the state and everyone involved."

Over the life of the project, the state could receive \$1.8 billion in royalties, according to early estimates, and Santa Barbara County could receive from \$200 million to \$313 million in

property-tax revenue, Rusch said.

In spite of the similarities to last year's proceedings, the face of the state Lands Commission board has changed significantly.

The director of finance, Michael Genest, who was a Schwarzenegger appointee and the only member to vote in favor of Tranquillon Ridge drilling, resigned his post. Now filling his position and seat on the commission board is Ana Matosantos, who was appointed Dec. 31.

Also, Lt. Gov. John Garamendi, who was vocally opposed to any new offshore drilling, is now a congressional representative.

His place on the commission is being filled by Mona Pasquil, a member of the lieutenant governor's office, but Republican Senator Abel Maldonado has been appointed to the lieutenant governor position.

Maldonado must be confirmed by the state Senate before taking up Garamendi's mantle.

PXP and the EDC do not have any concrete plans to make a presentation before the state Lands Commission, but they have straightened out some concerns.

For example, the Attorney General's Office was brought in as a third party in the agreement in order to add extra enforcement, the federal government was quizzed and it cannot force PXP to violate the agreement, and a public land trust was contacted to confirm the 4,000 acres identified for donation, according to Krop and Rusch.

"We were blindsided last time when these issues were raised," Krop explained. "It will be different this time; we've had some time to make a full presentation on these issues. We're hopeful something happens this year."

If the state Lands Commission approves the Tranquillon Ridge project, it would still need the green light from the California Coastal Commission and the federal Minerals Management Service before production could begin.

### **Nava blasts governor's budget proposal**

Last year, funding for state parks was on the chopping block, but H.D. Palmer, representing the state Department of Finance said the oil royalties from the Tranquillon Ridge project were an “alternate source of funding” and a “steady stream of financing.”

However, Assemblyman Pedro Nava, D- Santa Barbara, a steadfast opponent of any new offshore oil drilling, came out swinging after the governor's budget proposal was released.

“The governor is holding state parks hostage to new offshore oil drilling by a single Texas-based oil company,” Nava said in a released statement. “Tying state parks to new offshore oil drilling is like giving a victim of domestic violence a rent reduction to move back in with their abuser.”

When asked about this negative judgment, Palmer responded, “When we were able to bring funding back on parks last year by withholding maintenance and operations activities, we indicated we would come back with a proposal on additional funding sources for parks, and this is that proposal,” Palmer said.

Recently, Nava introduced a bill that would collect a

10-percent severance tax on the value of every barrel produced in the state, a plan that would raise an estimated \$1.5 billion for public health and safety, education and state parks.

Assembly Bill 1604 may be heard in committee Feb. 5, according to its status on the state's legislative Web site.

Sam Womack can be reach at [swomack@santamariatimes.com](mailto:swomack@santamariatimes.com)